



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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B-179871 (v)

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December 3, 1973

The Honorable
The Secretary of Labor

Dear Mr. Secretary:

We are enclosing a copy of our letter of today to the Secretary of the Air Force, in which we advise that disbursements in accordance with Wage Determination 73-594 (Rev. 3) under a contract entered into by the Air Force and Pan American World Airways, Incorporated, for the operation and maintenance of the Eastern Test Range, Brevard County, Florida, would be proper.

We agree with your Department that it was the intent of Congress in enacting the Service Contract Act Amendments of 1972 that wage determinations issued as a result of a hearing held pursuant to section 4(c) of the Service Contract Act would be applicable to contracts awarded prior to issuance of the wage determination. However, we are concerned that implementing regulations have not been promulgated which specifically provide for contract clauses authorizing the application of a wage determination to previously awarded contracts. Furthermore, your Department's own regulations, issued prior to the 1972 amendments, state that a wage determination issued after contract award would not be applicable to that contract. 29 CFR 4.164(c). The Acting Administrator of your Employment Standards Administration, by letter of November 12, 1973, advised us of his intention to revise the regulations further "to conform to the mandate of the Act." We recommend that revised regulations providing for clauses, for all types of service contracts, which explicitly deal with application of post-award wage determinations resulting from a section 4(c) proceeding be issued as soon as practicable.

Sincerely yours,

R.F.KELLER

Deputy Comptroller General
of the United States

Enclosure

Propriety of Disbursements

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